

PROCEDURES FOR THE HOMEOWNERS'
EXEMPTION MATCH AND MULTIPLE CLAIMS
LISTING

JULY 2008

TABLE OF CONTENTS

PROCEDURES FOR THE HOMEOWNERS' EXEMPTION MATCH AND MULTIPLE CLAIMS LISTING	1
STATUTORY AUTHORITY	1
PRINCIPAL PLACE OF RESIDENCE	2
<i>Physical Presence Factor</i>	2
<i>Intention Factor</i>	3
PROVIDING INFORMATION FOR A MULTIPLE CLAIMS LISTING	3
<i>Record Media</i>	3
<i>Format of Information</i>	3
<i>Record Layout</i>	4
<i>Diskette Information</i>	5
<i>Manual Information</i>	6
PROCESSING A MULTIPLE CLAIMS LISTING	6
<i>General Information</i>	6
<i>Initial Processing</i>	6
<i>Verification</i>	7
<i>Final Processing</i>	8
APPENDIX A: FORM BOE-266-MCL	9
APPENDIX B: FORM BOE-266-MEDIA	9
APPENDIX C: SAMPLE VERIFICATION LETTERS	9
SUGGESTED FORM LETTER—FIRST REQUEST	9
SUGGESTED FORM LETTER—SECOND REQUEST	10
APPENDIX D: EXAMPLES OF EDITED MULTIPLE CLAIMS LISTING	11

PROCEDURES FOR THE HOMEOWNERS' EXEMPTION MATCH AND MULTIPLE CLAIMS LISTING

The following procedures were developed to assist county assessors in providing the information mandated by section 218.5. The clearinghouse program maintained by the Board for the homeowners' exemption is commonly known as the *Homeowners' Exemption Match and Multiple Claims Listing* (MCL).

STATUTORY AUTHORITY

Article XIII, section 3 of the California Constitution exempts from property taxation a number of property types and uses, one of which is for a homeowners' principal place of residence. Section 3 exempts:

...(k) \$7,000 of the full value of a dwelling, as defined by the Legislature, when occupied by an owner as his principal residence, unless the dwelling is receiving another real property exemption. The Legislature may increase this exemption and may deny it if the owner received State or local aid to pay taxes either in whole or in part, and either directly or indirectly, on the dwelling.

No increase in this exemption above the amount of \$7,000 shall be effective for any fiscal year unless the Legislature increases the rate of State taxes in an amount sufficient to provide the subventions required by Section 25.

The Legislature codified the Constitutional language by enacting Revenue and Taxation Code section 218.¹ Section 218 provides, in part:

(a) The homeowners' property tax exemption is in the amount of the assessed value of the dwelling specified in this section, as authorized by subdivision (k) of Section 3 of Article XIII of the Constitution. That exemption shall be in the amount of seven thousand dollars (\$7,000) of the full value of the dwelling.

(b) The exemption does not extend to property that is rented, vacant, under construction on the lien date, or that is a vacation or secondary home of the owner or owners, nor does it apply to property on which an owner receives the veteran's exemption...

Property Tax Rules 135 and 135.5² also provide guidance to county assessors that more specifically address the mechanics of processing the homeowners' exemption claim and verifying the eligibility of the property and claimants.

Section 218.5 provides the Board's and the counties' responsibilities in ensuring that the homeowners' exemption is properly administered. Section 218.5 provides:

¹ All statutory references are to the Revenue and Taxation Code unless otherwise specified.

² All references to Rules or Property Tax Rules are from Title 18, Public Revenues, California Code of Regulations.

In order to assure the accuracy of the state's reimbursements for the homeowners' property tax exemption and to prevent duplications of the exemptions within the state and improper overlapping with other benefits provided by law, county assessors shall supply information from homeowners' property tax exemption claims and county records as is specified by written request of the board, and with the concurrence of the Controller, necessary to fully identify all homeowners' property tax exemption claims allowed by the assessors. The board may specify that the information include all or a part of the names and social security numbers of claimants and spouses and the identity and location of the dwelling to which the exemption applies. The information may be required in the form of data processing media or other media and in such format as is compatible with the recordkeeping processes of the counties and the auditing procedures of the state.

PRINCIPAL PLACE OF RESIDENCE

The homeowners' exemption does not have a requirement of a particular amount of time one must reside in their primary residence to qualify for the exemption. In order to qualify for the exemption the dwelling must be established as the owner's principal place of residence as of lien date 12:01 a.m. If new to the property, and not yet domiciled at the property through a lien date, the exemption may be claimed by a qualified individual on the supplemental assessment resulting from a change of ownership or completion of new construction on or after January 1.

One of the foremost factors in granting the homeowner's exemption is determining what constitutes a dwelling as a principal place of residence. For property tax purposes the relative definition of a principal place of residence is the same as, or closely parallels to, the legal doctrine of domicile. Under this doctrine, a person's domicile depends on two factors: *physical presence* and *intention*. The combination of both factors should be used to make the final determination of a claimant's primary residence.

PHYSICAL PRESENCE FACTOR

Physical presence is the place where:

- A person is physically present and makes his or her home.
- A person customarily returns after work and between trips or absences due to work, pleasure, or otherwise, even if the absence is extended.
- Clothes and personal belongings are kept.
- Housekeeping (preparing meals, sleeping, bathing, entertaining) is set up.
- The person files income tax returns as a resident.
- A driver's license is issued.
- The person has listed for voter registration.

For the physical presence factor, the individual facts as they relate to each other as a whole should be reviewed in each claim, as not all elements listed are necessary to satisfy this requirement.

INTENTION FACTOR

Intention factor is the intent of the claimant to remain at the residence and not the intent to stay there for only for a temporary purpose and return to a legal domicile elsewhere. Of the two factors, intention is essential and required.

PROVIDING INFORMATION FOR A MULTIPLE CLAIMS LISTING

RECORD MEDIA

Information may be submitted to the Board on a CD, cartridge, diskette, or manually using form BOE-266-MCL, *Homeowners' Exemption Claim Record*. Form BOE-266-MCL is posted on the Board's website with these guidelines and on the forms auxiliary website (see Appendix A for a sample of BOE-266-MCL).

When counties send the initial file (MCL #1) and each update (MCL #2 and MCL #3), form BOE-266-MEDIA, *Media Specifications—Homeowners' Exemption Claim Records*, must be included (see Appendix B for a sample of BOE-266-MEDIA). The *Media Specifications* form is posted on the Board's website with these guidelines and on the forms auxiliary website. It is critical that all data files you submit be in the format you indicate on the *Media Specifications* form.

If you submit a claimant's name on a CD, cartridge, or diskette, do not submit the claimant's name a second time manually on the *Homeowners' Exemption Claim Record* form.

FORMAT OF INFORMATION

Data regarding all claimants of homeowners' exemption in each county must be submitted to the Board in the appropriate format:

1. The information must be a complete list of all homeowners' exemption recipients in the county, not just changes since the prior year. Report only the recipients on the regular assessment roll who filed (1) timely, (2) late, or are qualified for the exemption based on a one-time filing. Do not report recipients of the exemption on the supplemental roll.
2. Supply the social security numbers and first five characters of the last name for both the claimant and the claimant's spouse (see *Record Layout* below).
 - The social security number and name of the claimant must appear in the "SSN #1" and "Name #1" fields.
 - The social security number and name of the claimant's spouse must appear in the "SSN #2" and "Name #2" fields. If a claimant is single, no SSN or name should be shown in "SSN #2" and "Name #2" fields.

- Additional owner-occupants (if more than a single dwelling on the parcel) must be shown as a separate line item.

3. Additional or updated data must be in the same format as the initial data; for example, if property ID has spaces in the initial data, additional/updated data should also have the same number of spaces. If you originally submit a property ID as

/ / / / / /1/2/3/4/5/6/7/8/9/

An addition must not be shown as

/0/0/0/0/0/0/1/2/3/4/5/6/7/8/9/ or

/1/2/3/4/5/6/7/8/9/ / / / / /

RECORD LAYOUT

All information provided to the Board must be in the following record layout format:

Record Size 50
Block Size 1000
Record Format Fixed Length
File Organization Sequential
Label Standard ANSI Label

USAGE: A = ALPHANUMERIC
 N = NUMERIC

DATA ELEMENT NAME	FIELD NUM	START POS	END POS	CHAR/ DIGITS	USAGE	EXTENDED DESCRIPTION
COUNTY	1	1	2	2	N	Two-Digit County Number - Required Field
SSN #1	2	3	11	9	N	Nine-Digit Social Security Number - Required Field
NAME #1	3	12	16	5	A	First Five Characters of Surname - Required Field
SSN #2	4	17	25	9	A	Nine-Digit Social Security Number or Blank - Optional Field
NAME #2	5	26	30	5	A	First Five Characters of Surname or Blank - Optional Field
PROPERTY ID	6	31	45	15	A	Property Identification - Required Field
CODE	7	46	46	1	A	Blank = Master/Original Information, A = Add or D = Delete
FILLER	8	47	50	4	A	Blank

1. **County, Positions 1 - 2**

This field is always entered. It contains the standard two-digit county code.

2. **SSN #1, Positions 3 - 11**

This field is always entered. It contains the primary social security number of the claimant. No provision is made for an alphabetic suffix. *Data will be returned if the field contains dashes.*

3. **Name #1, Positions 12 - 16**

This field is always entered. It contains the first five characters of the surname of the individual identified by SSN #1. *Do not* enter the name of an owner of the property unless it is actually the person's name whose SSN was entered in SSN #1. Spaces and punctuation should be omitted.

4. **SSN #2, Positions 17 - 25**

This field is optional and is used only if the SSN #1 field is used. If used, SSN #2 must contain the social security number of the spouse if the spouse has a SSN. No provision is made for an alphabetic suffix. If not used, this field must be blank. *Data will be returned if the field contains dashes.*

5. **Name #2, Positions 26 - 30**

This field is optional. If SSN #2 is entered, Name #2 must contain the first five characters of the surname of the spouse identified by SSN #2. If not used, the field must be blank. Spaces and punctuation should be omitted.

6. **Property ID, Positions 31 - 45**

This field is always entered. It contains the code identifying the property. Up to 15 positions are provided to allow for any format. *The format must always be the same for all claims, both original and updated/additional, submitted by a county.*

7. **Code, Position 46**

This field must be blank on all original submissions. *If not blank, data will be returned.* When updates/additions are submitted, it must contain an "A" or a "D" to identify a new record being added or an old record being deleted. *If not indicated, data will be returned.*

DISKETTE INFORMATION

The following specifications apply for data submitted in a diskette format:

Media: 3.5 inch diskette
High density, 1.44-megabyte

Recording Mode: MS/DOS Format

Data Format: ASCII text file (ASCII character codes 32-128)

with no field delimiters or field separations. Each line will end with a carriage return and line feed.

File Name: ASEPXXU1.TXT - for master/original information
ASEPXXU2.TXT - for update to master
ASEPXXU3.TXT - for final update
XX - is the county number 01-58.

The diskette must be labeled as follows:

Homeowners' Multiple Claims -
File ID: ASEPXXU1.TXT
or ASEPXXU2.TXT
or ASEPXXU3.TXT
Record Count: -----

MANUAL INFORMATION

Counties with no computer services and submitting manual information must use BOE-266-MCL, *Homeowners' Exemption Claim Record*, to submit data. Form BOE-266-MCL is posted on the Board's website with these guidelines and on the forms auxiliary website. Do not use a memo or list instead of this form.

The *Homeowners' Exemption Claim Record* form is designed to interlock with the Board's keying operation. Fill in all areas provided for the county code and add/delete code on every page. This information is required in order to process the records.

PROCESSING A MULTIPLE CLAIMS LISTING

GENERAL INFORMATION

1. Alter only social security account number (SSA) appearing under your county on the left-hand side of the MCL printout.
2. When claims are canceled because of non-response to the verification letters, circle the SSA's and write "531.6" in the "Corrections" column of the MCL. The notation "531.6" refers to Revenue and Taxation Code section 531.6 which provides the procedures for canceling a homeowners' exemption. When claims are canceled for any other reason, simply circle the SSA's.
3. When another county notifies you of a canceled claim associated with a particular SSA, or you have canceled an intracounty duplication, write "OK" in the "Corrections" column by the correct SSA.

INITIAL PROCESSING

1. Pull the homeowners' exemption claims identified by the MCL and establish a separate processing file for them.

2. Review the file for SSA transcription errors on the MCL.
3. Circle each incorrect SSA, and write the correct SSA in the "Corrections" column.
4. Notify the other counties involved of your actions on intercounty claims.
5. Resolve intracounty duplications on the MCL by circling SSA's that represent canceled exemptions.

VERIFICATION

1. Telephone claimants not eliminated by the initial processing and ask them to read the numbers from their social security cards.
2. Send verification letter (see Appendix C, *First Requests*) to any individuals you are unable to reach by telephone.
3. After ten calendar days without a response, either send the claimant a second request, more strongly worded than the first (see Appendix C, *Second Request*), or again attempt a telephone contact.
4. Failure of the claimant to respond by the time you must return the MCL justifies your canceling the exemption.³ Circle the SSA's of each canceled exemption and put "531.6" in the "Corrections" column. (See Appendix D for examples of editing.)
5. When a verification letter change the SSA's, circle the incorrect SSA and write the newly provided number in the "Corrections" column.
6. Notify the other counties involved of SSA's that you have changed.
7. When a verification letter indicates the SSA is correct, contact the other counties to learn the response to their inquiry.
 - a. If the other county is canceling the claim or changing the SSA, put "OK" in the "Corrections" column of the MCL.
 - b. If the other county also has verification of the SSA, ask your claimant to bring (or send) his or her card (or a photocopy) into your office.
8. When the accuracy of the SSA has been verified by you and the other county and your investigation indicates the two claims have been filed by different individuals, advise the individuals to contact the Social Security Administration.

³ The provisions of section 531.6 may apply to the assessment; this includes the escape (section 531.1), the 25 percent penalty (section 504), and 3/4 of 1 percent interest (section 506). Should any claimant provide the requested information within three months of his receiving the first letter, the exemption may be reinstated.

FINAL PROCESSING

1. For cases you cannot resolve by the deadline for returning the MCL, even though verification letters may have been returned, print "NR" (Not Resolved) in the "Corrections" column. There should be very few, if any, "NR's" on the edited MCL. The case will appear again on MCL #2.
2. Keep documentation for unusual claims you have allowed, including those of persons not having SSA's, with the claim forms to facilitate review by the State Controller's auditors. There is no need for you to return a list of persons by name who have no SSA.
3. Return homeowners' exemption claims to the main file after their final disposition is known.
4. Submit additional claims on diskette, CD, cartridge, or by manual claim record by the deadline for returning MCL #2. Additional claims are those added after the initial information has been sent to the Board for corrections to SSA's sent on the original submission. On corrections, be sure to show the complete record to be changed exactly as it was originally submitted, as well as the replacing data.

Example: If property ID has spaces in the initial data, additional/updated data must also have the same number of spaces. If you originally submit a property ID as:

////////1/2/3/4/5/6/7/8/9/

An addition must not be shown as:

/0/0/0/0/0/1/2/3/4/5/6/7/8/9/ or /1/2/3/4/5/6/7/8/9////////

APPENDIX B: FORM BOE-266-MEDIA

BOE-266-MEDIA REV. 01 (07-08)

MEDIA SPECIFICATIONS HOMEOWNERS' EXEMPTION CLAIM RECORDS



STATE OF CALIFORNIA
BOARD OF EQUALIZATION
www.boe.ca.gov

This form must be completed and included with all media submitted for processing. Submit the form and media to:

*Board of Equalization
County-Assessed Properties Division
Homeowners' Exemption Coordinator
PO Box 942879 MIC: 64
Sacramento, CA 94279-0064*

COUNTY		DATE SUBMITTED	
MAILING ADDRESS (STREET ADDRESS OR PO BOX)		CITY	STATE ZIP
CONTACT PERSON	TELEPHONE ()	E-MAIL ADDRESS	

MEDIA REQUIREMENTS

The Board of Equalization requires the use of the following formatting specifications for each type of media submitted for processing. An edit of the first and last 10 blocks must accompany each medium submitted.

CARTRIDGE SPECIFICATIONS

BLOCK SIZE	RECORD LENGTH	RECORD COUNT
LABELED? <input type="checkbox"/> YES <input type="checkbox"/> NO	FILE TYPE <input type="checkbox"/> ASCII <input type="checkbox"/> EBCDIC	DATA SET NAME

CD SPECIFICATIONS

BLOCK SIZE	RECORD LENGTH	RECORD COUNT
LABELED? <input type="checkbox"/> YES <input type="checkbox"/> NO	FILE TYPE <input type="checkbox"/> ASCII <input type="checkbox"/> EBCDIC	FILE NAME

DISKETTE SPECIFICATIONS: 3.5", 1.44 MB, MS/DOS Format, ASCII Character Code only.

BLOCK SIZE	RECORD LENGTH	RECORD COUNT
LABELED? <input type="checkbox"/> YES <input type="checkbox"/> NO	FILE TYPE <input type="checkbox"/> ASCII	FILE NAME

Should you have any questions, please contact the Media Handling Unit at the following address:

*Board of Equalization
Media Handling Unit
PO Box 942879 MIC: 26
Sacramento, CA 94279-0026
Telephone 916-322-4104, Fax 916-327-3483*

THIS DOCUMENT IS NOT SUBJECT TO PUBLIC INSPECTION

APPENDIX C: SAMPLE VERIFICATION LETTERS

SUGGESTED FORM LETTER—FIRST REQUEST

Dear Homeowners' Exemption Claimant:

We received notification from the State Board of Equalization (Board) of an apparent discrepancy concerning your [year] homeowners' exemption. The Board's computer program has detected the existence of another exemption claim identified with your social security number. To help resolve the problem, please enter the information requested at the bottom of this letter and return it promptly; failure to do so could result in cancellation of your exemption.

To determine your principal place of residence, consider (1) where you are registered to vote, (2) the home address on your automobile registration, and (3) where you normally return after work. If, after considering these criteria, you are still uncertain, choose the place at which you have spent the major portion of your time this year.

In providing the social security account number, please copy it from the card issued by the Social Security Administration, not from memory or from other sources.

Return this verification within five days, even if you are certain you originally filed correctly.

Sincerely,

(Add name and telephone number of county contact person)

VERIFICATION

On January 1, [year], my principal place of residence was:

(Number and Street)

(City/Zip)

If, since January 1, [year], you have established a different principal place of residence, provide your new address:

(Number and Street)

(City/Zip)

Social security number and signature of individual claiming the homeowners' exemption:

Social security number and signature of a co-owner/occupant residing at the same address, if applicable:

(Social Security Number)

(Social Security Number)

(Signature of Claimant)

(Signature of Co-Owner/Occupant)

SUGGESTED FORM LETTER—SECOND REQUEST

Dear Homeowners' Exemption Claimant:

On [date], we requested that you verify your principal place of residence and the social security number issued to you and any co-owner/occupant of the residence.

This matter must be resolved. If you do not send the information requested at the bottom of this letter within five days, we will cancel your homeowners' exemption which may create an escape assessment.

Sincerely,

(Add name and telephone number of county contact person)

VERIFICATION

On January 1, [year], my principal place of residence was:

_____	_____
(Number and Street)	(City/Zip)

If, since January 1, [year], you have established a different principal place of residence, provide your new address:

_____	_____
(Number and Street)	(City/Zip)

Social security number and signature of individual claiming the homeowners' exemption:

(Social Security Number)

(Signature of Claimant)

Social security number and signature of a co-owner/occupant residing at the same address, if applicable:

(Social Security Number)

(Signature of Co-Owner/Occupant)

APPENDIX D: EXAMPLES OF EDITED MULTIPLE CLAIMS LISTING

Case No.	Questioned Claim Property ID	Name	Corrections SSA#	New SSA#	County	Intercounty Claim Property ID	Name	SSA#
1	XXXXXXXXXXXXXXXXXXXX	Brown	362-44-1577		40 San Luis Obispo	XXXXXXXXXXXXXXXXXXXX	Jones	545-92-0300#
		Brown	545-92-0300#	545-29-0300			Jones	531-41-1233
2	XXXXXXXXXXXXXXXXXXXX	Smith	373-26-4019#		58 Yuba	XXXXXXXXXXXXXXXXXXXX	Clare	373-26-4019
		Smith	549-43-1855	531.6				
3	XXXXXXXXXXXXXXXXXXXX	Berne	666-11-4444#		12 Fresno	XXXXXXXXXXXXXXXXXXXX	Berne	666-11-4444#
		Berne	343-76-2335					
4	XXXXXXXXXXXXXXXXXXXX	Juniu	717-11-3333		02 Alpine	XXXXXXXXXXXXXXXXXXXX	Slatt	444-99-4444#
		Juniu	444-99-4444#	SS			Slatt	537-41-5555
5	XXXXXXXXXXXXXXXXXXXX	Gray	747-88-9999#	OK	19 Los Angeles	XXXXXXXXXXXXXXXXXXXX	Estes	523-45-6617#
		Gray	523-45-6617				Estes	517-22-1822
	XXXXXXXXXXXXXXXXXXXX	Wilso	747-88-9999#	747-83-9999				

Explanation of Action Taken

1. Brown 2 had transcription error.
2. Smith did not answer verification letter. Do not assume that Clare is a different individual.
3. Husband and wife are separated—two qualifying residences. The husband apparently is receiving the exemption in Fresno County.
4. Apparently duplicate SSA's—both verified. This duplication will continue to be on subsequent lists.
5. Gray 1 matched intracounty with Wilso 1; Wilso had transcription error.
Gray 2 matched Estes 1; Estes either had transcription error or claim was cancelled by Los Angeles County.

NOTE: # symbol at the end of a social security number shows which social security number is incorrect.